

Ref: Protean/Secretarial/2025-26/22

May 27, 2025

To,

BSE Limited (“BSE”)
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001

Scrip Code: 544021

**National Stock Exchange of India
Limited**

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051, India

Trading symbol: PROTEAN

Dear Sir/Madam,

**Subject: Transcript - Earnings Conference Call on Company’s Operational and
Financial Performance for Q4FY25 & FY25**

Pursuant to Regulation 30 read with Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our letter dated May 19, 2025, please find enclosed herewith Transcript of Earnings Conference Call on Company’s Operational and Financial Performance for Q4FY25 & FY25, held on Thursday, May 22, 2025.

This is for your information and records.

Thanking you,

Yours truly,

For Protean eGov Technologies Limited

Maulesh Kantharia
Company Secretary & Compliance Officer
FCS 9637

Encl.: As above



Protean eGovernance Technologies Limited

Q4 & FY'25 Earnings Conference Call

May 22, 2025

**MANAGEMENT: MR. SURESH SETHI – MANAGING DIRECTOR & CHIEF
EXECUTIVE OFFICER**

MR. V. EASWARAN – CHIEF OPERATING OFFICER,

MR. SANDEEP MANTRI – CHIEF FINANCIAL OFFICER,

**MS. PUSHPA MANI – VICE PRESIDENT - HEAD INVESTOR
RELATIONS**



*Protean eGovernance Technologies Limited
May 22, 2025*

Moderator: Ladies and gentlemen, good day and welcome to the Protean eGovernance Technologies Limited Q4 & FY25 Earnings Conference Call hosted by Go India Advisors.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing “*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Pushpa Mani – Head (Investor Relations and VP). Thank you and over to you, ma'am.

Pushpa Mani: Thanks, Dorwin. Good afternoon, everyone. I welcome you all to the Q4 and FY25 Results discussion. You must have received the “Results” and the “Investor Presentation” of the company, which is available on BSE and NSE as well as on the company's website.

As usual, we will start the forum with the “Opening Remarks by our Managing Director and CFO” and then we will open the floor for the “Question-and-Answer Session.’ If any of your questions remain unanswered, you may reach out to us afterwards.

The management on today's call would be represented by Mr. Suresh Sethi – M.D. and CEO; Mr. V Easwaran – COO; Mr. Sandeep Mantri – CFO and myself, Pushpa, Head IR.

Before we begin, I would like to mention that some of the statements in today's discussion may be forward-looking in nature and we believe that the expectations contained in these statements are reasonable. However, these statements involve a number of risks and uncertainties that may lead to different results. Thank you. And over to you, sir.



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Suresh Sethi:

Thank you, Pushpa. Good afternoon, ladies, and gentlemen, and thank you for joining us today. I will do a quick summary of the year gone by. So clearly, we have been on a journey of building strategic technical capability this year in the space of open-source technologies and establishing centers of excellence around emerging tech. FY25 has clearly been a defining area year for us in terms of technological maturity.

We have secured several mission-critical population scale mandates during the course of the year while competing against leading industry players. These mandates include the strengthening of the central KYC infrastructure of the nation under the CERSAI mandate of CKYCRR 2.0. We have got the mandate for expanding the central Agri-Stack.

And at the same time, in the health sector, we are supporting the Ayushman Bharat Digital mission in digitizing Maharashtra's Aapla Dawakhana Clinics.

As we continue to innovate and push boundaries, we are equally proud to consolidate our position as a thought leader in the digital public infrastructure space. Our journey this year has been marked by significant milestones for conceptualizing “DPI Box” as an approach to its actual manifestation in the form of impactful solutions. This framework has been a game-changer, enabling us to rapidly deploy and scale digital public infrastructure efficiently. The modular approach has allowed us to work with various countries on social impact projects, demonstrating our ability to adapt and scale our solutions to meet diverse needs. By leveraging this framework, we have been able to drive meaningful impact with our first-of-its-kind education DPI in Morocco and our recent health sector win in Ethiopia.

We are happy to share that we have further reinforced our commitment to take the India stack global by establishing Protean International a 100% subsidiary based in DMCC, UAE to manage our international operations.

Aligned with India's DPI visionary framework, which is built on open standards and protocols, we continue to contribute to (ODEs), Open Digital Ecosystems

across e-commerce, transport and mobility, agriculture, education and skilling, health, and sustainability.

One of our critical interventions this year has also been in the space of pension and social security. This was the successful rollout of UPS, the Unified Pension Scheme, a landmark pension reform designed to provide long-term financial security and inclusive social protection for central government employees. As the primary central record keeping agency in the country, we were entrusted with the design, development, and deployment of this mission-critical initiative. The company successfully delivered a robust, fully compliant platform in record time, demonstrating technical excellence and commitment.

Another key initiative in the pension phase this year has been the introduction of NPS Vatsalya, a first-of-its-kind pension scheme, allowing individuals to join the NPS system from infancy, thereby offering an extended vesting period and encouraging early financial discipline. Since its launch, the scheme has seen very strong traction with over 1,00,000 accounts being opened in the last six months. Protean holds a dominant market share of nearly 75% in this category.

Overall, we continue to maintain a dominant position in the pension services segment with 97% market share. We delivered strong growth of 12% in FY25 onboarding 1.3 crore new subscribers and adding more than 2,500 corporates to the NPS ecosystem. Both NPS and APY continue to scale, and we have recently crossed 8.2 crores cumulative subscribers.

In our “Tax Services Business,” while revenue declined due to an industry-wide slowdown in PAN issuance, this was largely due to the election cycle and the delayed rollout therefore of new government schemes. But we have made significant gains in market share, which increased by nearly 5%, closing at 56.6% in FY25. During the year, we issued approximately 4.4 crore PAN cards. And out of these, 53% were processed via paperless mode. Given that PAN penetration in the country is still below 40% and considering its increasing importance for

financial inclusion and welfare access, we believe this segment holds meaningful long-term growth potential.

The Digital India movement continues to gain momentum, serving as a cornerstone of the country's digital economy. Protean is strategically investing in several next gen value-added solutions like eSignPro, a comprehensive digital documentation suite, and rise with protean, a multi-sectoral API marketplace. All these solutions will enable seamless onboarding into financial systems, welfare programs and pension, driving mass scale inclusion across India.

We also took deliberate steps this year to bring our brand closer to the people. We were delighted to welcome Pankaj Tripathi as the face of Protean who is himself an icon of trust, humility, and authenticity.

Our Digital-First Apni Kahani Ka Hero Campaign featured multiple video assets. It garnered over 35 million views and reached more than 15 million users across B2B, B2C and B2G audiences.

While Sandeep will walk you through our financial details, I am pleased to share that our revenue for FY25 stood at Rs.841 crores and PAT at Rs.92 crores. I am also glad to report that we have received Rs.36 crores which have been pending long dues towards storage charges from the income tax department. This reinforces the continued trust and confidence placed in us by the department in managing this population scale mandate for the last 22 years. With that, I will hand you over to Sandeep. Thank you.

Sandeep Mantri:

Thank you, Suresh. Good afternoon, everyone. As Suresh highlighted, the Digital India journey is a powerful example of how technology can enable inclusive, efficient, and citizen-centric governance and Protean has been a core part of this story from Taxation to Pension to Social Security, Welfare and Digital Identity.

Today, we are extending this foundation across newer sectors such as e-Commerce, Mobility, Health, Education, Skilling, Agriculture and Sustainability.



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Our groundbreaking DPI in a Box solution is a shining example of how technology expertise can govern the citizens and govern the country in space.

Our interoperable platform-led approach is helping build the digital layers for tomorrow, designed to improve discoverability, transferability, and service delivery on a scale.

Let me touch broadly on the “Financials for the Year”:

We have reported consolidated revenue from operation at Rs.841 crores in FY25 versus Rs.882 crores in FY24, which is a decline of 5% YoY mainly due to the decline in our tax revenue because of the market shrinkage while we have gained our market share significantly by 500 basis points.

Our Identity Service revenue also declined by 13%, and our Pension Services revenue however grew robustly by 12% and other businesses also saw a 9.5% increase, showcasing a diversified momentum.

EBITDA for the year stood at Rs.149 crores in FY25 versus Rs.157 crores in FY24, a decline of 5% YoY largely due to increase in other expenses like brand promotion, strategic investment, RFP-led businesses and accelerated intangible asset depreciation. However, improved collection, which is what Suresh talked about led to provision reversal, partially mitigating the decline in EBITDA.

PAT for the year stood at Rs.92 crores in FY25, a decline of 5% over FY24.

We delivered an EPS of Rs.22.83 for the year and the board has recommended a final dividend of Rs.10 per share representing 100% payout on face value and approximately 40% payout on PAT, reflecting our commitment to sharing profit with shareholders.

We continue to maintain our debt-free status and are looking to accelerate our internal cost lever at a sustainable rate. Our asset light model coupled with strong



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cash flow has resulted in a cash equivalent and marketable security balance of more than Rs.800 crores as on March 31st, 2025.

We are also pleased to announce an update regarding our outstanding receivable from the income tax department for storage services. Despite provisioning for these long pending dues in our book as per our expected credit loss provisioning policy, we had consistently maintained that this is a sovereign debt and would be realized. We are delighted to confirm that we have recently received Rs.36 crores, out of the money received, we have reversed Rs.21 crore of expected credit loss taken in earlier quarters and we have set off another Rs.15 crores toward receivable lying in our books, eliminating the need for any further provisioning for this item.

To simplify the structure and to execute operation in a cost-efficient manner, we have demerged a significant portion of our 100% subsidiary, which is Protean Infosec Services Limited to the parent company. We have proposed the demerger scheme to the shareholder and board.

Key projects in this year, include CERSAI mandate for strengthening the Central KYC Stakes, extended scope of Central Agri-Stake, and ABDM-led digitization project of Aapla Dawakhana Clinics across Maharashtra. These keys not only underscore our expertise but also promise a long-term revenue visibility and a growth momentum. Operationally, we have made significant progress across our annuity-led businesses including eSignPro and Protean RISE building predictable and recurring revenue streams for the future.

Moving forward, our strategic priority as discussed by Suresh are focused on a few key areas: These are monetizing new products, new digital products and building upon RFP-led businesses, enhancing our operational efficiencies through AI-driven process transformation and cost control, consolidating our leadership in India's digital public infrastructure DPI space while expanding this, India's digital stake globally.

With that, I would open the floor for a question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Prakash Kapadia with Spark PMS. Please go ahead.

Prakash Kapadia: Yes. Thanks for the opportunity. A couple of questions from my end. On the revenue side, just wanted to delve deeper. We have now had an installed base of around 55 crores plus PAN cards in the system. So, in the near term till PAN 2.0 project starts, what kind of addition of your PAN card is possible? By when do you think this PAN 2.0 project will go live? I think two days ago on the call you had alluded you are going to check what could be the reason of us not moving forward. So any update on that? And on PAN 2.0, is there a scope of work which is now defined? So, what I am trying to understand is, is there a risk of vendor consolidation? Because there are processes which you had highlighted in terms of the PAN card issuance. So, would we continue to do the process and scope of work which we are currently doing, or will there be a vendor consolidation? So, any clarity on that will help? Secondly, any updates on the global tenders in terms of finalization or closure if you could highlight? And thirdly, in the NPS business, from a long-term perspective, is there any risk to growth given that most of the IT returns are now being filed in the new regime? Do you see any structural slowdown or longer-term growth tapering off on the NPS side of the business? So those were my questions on the revenue side.

Suresh Sethi: Thank you, Prakash for your questions. So, I will start with first your reference to potential in the PAN business itself. So while you are right that around 55 crores Indians have a PAN card, PAN as we have always been discussing is not a saturation ID. Aadhar today is given to every child at birth, but PAN usually is taken up when you are either entering the workforce or you are opening your first bank account, and likewise today we are also seeing the propensity of people getting a PAN card when they are availing government benefit scheme. So, 55 crores means it is still less than 40% of the country which has a PAN card and every year there is addition to the working population, new schemes are getting announced. So historically speaking, at least for the last three-four years, every year there have been six to seven crore new PAN cards getting issued and we

haven't seen any slowdown in that. And considering that people will keep coming into the working space, new schemes will come, we expect this momentum to continue and this business to build. Also, secondly, as we mentioned this year was a good year for us and further consolidating our market share, we moved our market share onto by gaining five percentage points up to 56.6% and which still means there's headroom for us to further improve our market share. So, for us, we see this as a business which has good momentum overall in terms of issuance and our ability to secure more business down the line by keeping at what we are doing well currently. Coming to your second question with regard to PAN 2.0, as I think we discussed earlier also, the scope of PAN 2.0 is completely separate from the mandate we received from ITD in 2003 which was for processing and issuance of PAN cards. So, as you are aware, there is a complete process before a PAN card gets issued. So, there is a part of the work where the applicant provides their information while applying for the PAN card, they provide their identity document. So, all this information that we collect from the applicant is passed on to the IT department in a secure manner by us. So we are doing the last mile information and ID and data collection on behalf of the PAN applicant and providing it to the IT department. The IT department then has their system in which they do the allotment of the PAN number. And then once they have allotted the number, they give us the number, we print the PAN card, and we again distribute it back to the PAN applicant. Now the entire PAN 2.0 RFP scope is around doing the technological revamp of ITD systems which are today used for doing the allotment of the PAN number. The mandate which we have in terms of processing of PAN applicants, information and sharing the data with ITD is not part of this RFP. So therefore, the two are separate from a scope of work perspective. And secondly regarding your question, would there be any consolidation of scope? My answer would be no, because this RFP and its scope is already defined. The mandate we have from the ITD department is different and continues to be there. So, the two will be completely separate. Coming to global tenders, as we had mentioned that currently we are happy to report that we have finally been able to open our account in the international business. We were able to get two mandates; one in the country of Morocco where we worked on the DPI in a Box, education DPI and second is

we were awarded a health initiative in the country of Ethiopia. Other than that, we are currently engaged with almost 20-plus countries between Africa, Southeast Asia, and Middle East. And I would say almost four or five mandates are in advanced stages of discussion, but we continue to be engaged on these multiple mandates in terms of global tenders. Your last question was with regard to the NPS business. Now the CRA business, as we clearly are glad to report that we have a 97% market share. This is a licensed business. So, each of the central record keeping agencies today hold a license. So just like any other bank license, we have a license from PFRDA to run this business. And as far as pension penetration is concerned, again, we all know that the pension penetration in our country is a bare 6% versus some of the developed countries where you are talking about numbers like 70%, 75%. So, we again see a huge headroom for pension penetration. Even schemes like Atal Pension Yojana, which are clearly meant for a part of society which are the economically weaker sections which is basically the area where we have Jan Dhan accounts. So today we have almost 55 crores plus Jan Dhan accounts and there are only 5 crores or 5.5 crores odd Atal Pension Yojana subscribers. So, there's a huge 10x headroom over there. So, we clearly see in the pension business there's a large headroom for us to grow that business.

Prakash Kapadia: Understood. And on the global tender which you just mentioned, Suresh, on Morocco and Ethiopia, any revenue size or quantification you could give and when would revenue start for recognition, how long is the project or any size if you could give that will be helpful.

Suresh Sethi: Generally, we don't give project wise, but I will give you a general sense that when we are looking at the international projects, at least some of the DPI-related projects are in the form of RFPs. So, these could be anywhere from three to five years in terms of the overall mandate, which means the first year or so is taken to develop the technology and deploy it, and the remaining years then form a part of an AMC. So, any mandate will have a payment structure where 40% to 60% of the payment comes after one, one and a half years and the remaining comes staggered over the remaining period in the form of equitable AMC charges. The projects again in these countries because we are looking at Africa and the larger part of the

African subcontinent, we have seen mandates depending on the size of the country and the DPI we are working on. These could actually have a wide range from almost \$1 million to \$10 million and the rest of the equation as I mentioned to you earlier goes along the lines of the payment structure as I spoke.

Prakash Kapadia: Thanks. Thanks a lot, Suresh, for the answers. I will join back in the queue if I have more questions. Thank you.

Suresh Sethi: Thank you.

Moderator: Thank you. We have our next question from the line of Dhruv Shah from Dalal & Broacha. Please go ahead.

Dhruv Shah: Yes. Thank you for the opportunity, sir. So, my question is regarding your identity services business. So, If I look at your Slide #15 in terms of volume, except for eKYC, rest all the segments are seeing a growth in terms of volume. However, if we look at the revenue, there is a sharp dip of 25% and this is the same case for full year as well. So, on Slide #26 also, your full year volumes are increasing in most of the segments, but the revenue is seeing a dip. So, is there any pricing pressure in one of these segments or what is the scenario over there?

Suresh Sethi: Yes, Dhruv, thanks for the question and you are absolutely right, we have seen growth across all the leading business drivers, which means the number of eSigns or the number of eKYCs and so on. So, while there has been growth overall, there has been in certain cases margin pressure because naturally, it's at a foundational level and over here you are competing in a market where if you get large scale commitments on volumes, it's slab-based pricing. So, at times, therefore you find that the overall margin profile of the business might again become lower and that's what has been the reason for the decline in revenue. But in order to not just mitigate this, but also to vertically integrate the digital identity business, we have therefore moved into providing more value-added services, because at the foundation of the identity business is the basic APIs for authentication, for KYC, for eSign. But if you want to build complete workflow management systems of digital signing and digital stamping, that is where we are building the suite of services on top. There

are also more value-added services and therefore command their own differentiation because of how you build the consumer interfaces, the workforce processes and so on. So that has been our strategy to one, to expand into a new line of business, which is more annuity-driven like a SaaS sort of business, and at the same time mitigate some of the price compressions that we see at the foundation level of the services.

Dhruv Shah: I understand that sir, but do you see any green shoots of recovery in terms of prices or are these prices stabilizing or they will continue to or you expect the price war to continue going forward as well?

Suresh Sethi: I think this will be a competitive space, Dhruv. It will definitely be a competitive space. Currently in some of these areas we are either a leading player amongst the top four or five, and in areas like eSign we have a 70% market share. So definitely we differentiate based on the resilience of our offering, because ultimately, at the foundational level, you want resilience, you want complete up time and all. That is what we differentiate from today. But yes, it's at a level where it is to an extent commoditized, because when you look at value added feature functionality, that is not there at the base of the pyramid when you look at the foundational DPI. So we will continue to strengthen our technology stack, keep ensuring that we are ahead of the curve in the resilience and uptime of our services and the trust that our company's name carries with both the private and the government sector entities, I think that is where we are at this stage.

Dhruv Shah: Right, sir. And my second question was regarding your other expenses. So there has been a sharp increase of over 100% in your other expenses. So, on the interview on CNBC, you mentioned there is no one-off. So, is this a steady state or will we see the similar trajectory as a percentage still going forward also for other expenses? And same question for processing charge as well. So, processing charges are also down as a percentage of sales, that used to be around 40%, that's now down to 36%, 36.5%. So, will this continue going forward?

Sandeep Mantri: So Dhruv, to answer your second question on processing charges, this is going to remain in the same range, because we implemented many automation projects last year which has resulted in a significant saving in terms of delivering the revenue. So therefore, the processing charges. And then, secondly, we are delivering more and more online PAN. So that is also resulting in some savings. So, all put together, I think processing charges will remain at these levels only. To answer your second question on other expenses, particularly in this quarter, there were certain expenses which were there because of the brand building exercise we carried out with Pankaj Tripathi, there is a significant spend on account of that. And secondly, there was accelerated amortization on some of the intangible assets we were building, and we thought if the cash flows are not in short term so on a conservative side, we have decided to impair some of those intangibles and therefore there was a charge because of that. And the third one was RFP-related expenses, which are part of system support and maintenance expenses, which have also increased because some of the RFP revenue we booked in this quarter. So primarily these are a few reasons, that is where we have seen an increase in our other expenses. Other than that, if you see in our tech, the system support and maintenance, there is a slight increase from Rs.106 crores to Rs.122 crores on a yearly basis, which is primarily because of one, inflation and second, we are building a strong tech resilient organization. So, there are inevitable costs because of that and those are the reasons why some of those costs have gone up. Having said that, what will be our quarterly run rate? Some of those will be spread over a year, some of those will be a one-time thing but will come in some other form like depreciation or so. So therefore, these are the rates for the quarter. So, I hope this answers your question.

Dhruv Shah: Yes, yes, thank you so much for the answer. I will join back in the queue.

Sandeep Mantri: Thanks, Dhruv.

Moderator: Thank you. Our next question is from the line of Rohan M with Equirus securities. Please go ahead.

Rohan M: Yes. Hi. Good afternoon, sir. Thanks for the opportunity, sir. Wanted to understand if you can elaborate on the revenue opportunity from the “DPI in a Box” that we are talking about?

Suresh Sethi: Rohan, as I said, project wise, we do not give a break up, but I will tell you the structure of DPI in a Box, because as you see in India, we have built very large population scale DPIs, whether it was Aadhaar or UPI as a payment system or data exchange that we are doing, the consent management, account aggregator and now the DPDP Act. Now these are basic fundamental building blocks. Different countries are at different stages of their national or digital identity being there. Similarly, they want payment systems, they want agriculture system where they want to exchange agri data. So, DPI in a Box actually is a concept where we are saying if we can bring all these modular pieces together and do a quick deployment rather than taking two to three years to do it if you can do the deployment in three to four months using existing digital public goods and putting them together and deploying a solution in multiple sectors. So, that has been the approach which we have worked out and with various partners this work has been done. Morocco became a first-of-its-kind experiment to deploy DPI in a Box for enabling the education ecosystem. This is for teachers learning and assessment. So underlying that is where we are seeing the promise of this because as you deal with multiple countries with different needs and requirements, because one shoe fits all doesn't work, DPI in a Box becomes a good sort of flexible modular solutions where you are able to build and deploy quickly at a POC basis and then create impact by scaling it up. So that is the underlying approach that we are taking. Project wise as I earlier mentioned to Prakash, most of the global businesses we are seeing depending on the size, scale of the country, these projects range anywhere from \$1 million to \$10 million. I know it's a huge range but yes that is the sort of projects they are, and mostly they are in the line of RFPs because they are government-driven initiatives.

Rohan M: And sir on the CERSAI project, will you start booking revenues on that in FY26 and which quarter will that start from? And typically, in these projects, what kind of EBITDA margins can we expect?

Sandeep Mantri: To answer your first question, yes, CERSAI, eKYC, RR project, we will start booking revenue from this year. It will be in Q1, Q2, Q3, Q4, all the quarters, I guess. And margin information, I think we have talked about in past also, we do not diverge margin on project level basis, but on a ballpark basis I am telling you these are a very highly competitive market, so margin will be similar to what we deliver as of today.

Rohan M: And then lastly, when we talked about on the PAN 2.0, the distribution leg of business is not part of the current RFP. So, if I refer to the notice for the tender that the government has released in August '24, it mentions that presently the receipt, verification, digitization of applications, printing and discharge of PAN cards and storage of physical as well as scanned PAN application are outsourced to PAN service providers. The PAN 2.0 project aims to consolidate end-to-end PAN servicing starting from online receipt, verification, deduping, processing allotment and things. So, from this I get a sense that the entire end-to-end process would be consolidated, but we have been indicating that this will be a separate part. So, what gives us confidence like in saying that the distribution will be a separate activity?

Suresh Sethi: Rohan, the confidence comes from the fact that India's DPIs have always been deployed with the inclusive mind frame, right? When we got this mandate in 2003, the whole underlying idea was that every citizen should have the opportunity to be able to apply for a PAN card. That is exactly what the country did where the Aadhaar enrollment centers were set up or when you talk about telecom and access to mobile services. So today, if we look at it, almost 70% of the people are applying for the PAN card through an assisted mode, which means they are going to an agent, they are submitting their KYC documentation. Last year alone, I can share with you from our data, there were sixteen types of IDs which were presented by the applicants. Out of them one was Aadhaar. Now, when we look at PAN 2.0, you are absolutely right, it's consolidating or building first of all the tech stack, which today ITD runs. That tech stack will also have a portal on which you can directly apply for the PAN card. But despite the fact that today the citizens of the country are taking assistance in applying and 70% of the citizens are doing it, that service model will go completely by where the citizens is able to get the service. I will also

further add to you that today already there is direct application capability provided both by ITD and by the two other entities, which is Protean and UTI. So, the digital opportunity to apply directly exists even as we speak today. But the choice of the citizens is clearly more tilted towards going through an assisted model. So that is the reason we are saying that these things do not change overnight. We are talking about a very vast digital public infrastructure, and we are talking about a foundational ID. Tomorrow, you cannot have a scenario where you tell the citizens, you no longer can apply if you do not need help.

Rohan M: Sure. Got it, sir. Thank you.

Moderator: Thank you. The next question is from Ashish Parekh from Emkay Investment Managers Limited. Please go ahead.

Ashish Parekh: Yes. Thank you, sir, for the opportunity. My first question is regarding the storage charges. So now how much storage charges is being booked as a provision, I mean, how much amount is left from the ITD to be received? And secondly, if you can speak on the new business, we want to push our mix to 25%, so what new business should we focus on or what shows the revenue to be 25% in the near future? Thanks.

Sandeep Mantri: So, to answer your first question, Ashish, on the storage charges, we have no additional provision to be made because we have collected the money from department and there is no future provisioning required as far as storage charges are concerned. On the second question of new business, I would request Suresh to put light on some of those new businesses like eSignPro Protean RISE.

Suresh Sethi: Ashish, basically new businesses as I mentioned, there is a strong focus on extending our foundational ID business where we are building value added services in the form of eSignPro and RISE with Protean which we spoke about earlier, which is a multi-sector marketplace for API. And here we are looking at a lot of focus in the BFSI sector for digital onboarding, lending, other services coming through being enabled with the stack. It will largely be a B2B annuity business and clear focus for us is because we see a strong adjacency because today,

we are one of the leaders in the country at the foundational identity level. So, some customers who are today using our stack for doing an eSign or an eKYC or eAuthorization can benefit from the productization we have done on top of the stack. So that's one core business for us. The other area we are clearly getting into is in the space of open digital ecosystems. We have certain wins as we called out, whether it is on the agristack, the health, ONDC is another area in which we participate strongly by actually powering the entire ONDC ecosystem and then also building the other aspects of it in the lines of demand and supply applications. RFPs is another area where we are putting a lot of focus. You would have heard us talk about the recent wins we have had, and we continue to make sure that we have a very strong focused team which is working on keeping a healthy RFP pipeline and working on large scale turnkey projects. Other than that, would be the international business where we have opened our account in a way. And as I mentioned earlier, we have also set up our international subsidiary now, which is a means to say let's get more structure and focus on international operations. So, we hope to keep on aggressively pursuing that business. And then there is the Cloud and InfoSec business in which again, we are making some headway. And these are the areas which we see. And as we have mentioned earlier, our idea would be to diversify so that from a concentration on our core businesses on tax, pension, and identity, we have a more diversified portfolio, say of a 75:25, which would happen in the next couple of years.

Ashish Parekh: Okay. Just a follow-up question on the storage charges. So, my question was, how much of money to be received yet? And against that how much of provision is already booked.

Sandeep Mantri: No. So right now, in books, we have collected whatever was supposed to be collected on account of the storage charges. But still we have a few years to be billed to income tax, which we will have to assess and right now we can't disclose that number, but it is also a significant number.

Ashish Parekh: Okay. Thank you.

- Sandeep Mantri:** Right now, nothing is there in the books, which is yet to be collected. We have collected everything. No further provisioning, no outstanding as of today is concerned. But we will bill for a few years in the time to come in the quarter.
- Moderator:** Thank you. The next question is from Darshil Pandya with Finterest Capital. Please go ahead.
- Darshil Pandya:** So just wanted to understand if you can clarify whether the nature of the services with regards to PAN 2.0 post-project completion, would it be like same as what our business is currently, or this will be managed exclusively by the agency that will be awarded this contract?
- Suresh Sethi:** Darshil, as I mentioned earlier, these are two separate mandates, right? We had a mandate in 2003, which we continue to service and we will continue to service going forward as we speak and which is where we are given the task of processing and issuance of the PAN card.
- Darshil Pandya:** So will this continue as usual?
- Suresh Sethi:** I mean as we speak, there is no change to that because PAN 2.0 does not cover this mandate. It is a separate mandate completely, right? And the PAN 2.0 as I said is a tech revamp of the core IT system, which we have never managed before also. It was always managed by ITD.
- Darshil Pandya:** No. So, sir, just wanted to understand, since this was around Rs.1,400 crores of order that we were expecting and since we are not getting it, so I am still not able to understand how is it going to affect us because looking at what market conditions are there right now with regards to our stock, what is something that is being discounted?
- Suresh Sethi:** So that's where I am saying that there was naturally an ambiguity because it's PAN 2.0 and there was the understanding that it's the same mandate now getting a different shape. So even when we applied for it, it was going to be incremental

business for us like we apply for other RFPs. The mandate we have from ITD continues, I mean we have that mandate still with us and that does not change.

Darshil Pandya: Okay. And we will have more clarity once we get some clarity from the income tax department with regards to this RFP –

Suresh Sethi: For the RFP, as we mentioned, we have written to the department to seek more clarification because as you know there is a pre-qualification, there's qualification and then price discovery. You've seen the results on the GeM CPP portal, so at the qualification stage, not the approval for the two to go ahead. One entity has made it to the pricing recovery stage. So, we have requested the IT department to give us a clarification behind what went into the decision. So that is where we are currently.

Darshil Pandya: Okay. Got it. We will wait for your clarification, sir, thank you so much.

Suresh Sethi: Sure. Thank you.

Moderator: Thank you. The next question is from the line of Pratham Kankariya from Quantum AMC Private Limited. Please go ahead.

Pratham Kankariya: Good evening, sir. Just like a follow up on the participant before, you explained that for the PAN, most of the new PAN card issuance happens like via assisted mode where at least 16 documents are required. But as far as I could remember, when I got my PAN it was just the Aadhaar and that I had to use some OTP for verification and we have seen how people have adapted to the UPI and we cannot bank on people trying to go for assisted mode to go for the PAN. So how do you see this situation going ahead?

Suresh Sethi: Again, I am saying this is more data as we have it today, right? Aadhaar has been around for some time and today, definitely people use Aadhaar. But even within Aadhaar, people are actually going to the agent, for example, to do their biometric, right, when you have to use your thumbprint, to do your KYC, you are doing it at an agent point. Similarly, there is an assisted mode using OTP that is again at an

agent point. So, lot of Aadhaar-enabled KYC today also is being done through an agent. It is not that people are doing it themselves. So, I am just sharing with you the factual data on the ground. Aadhaar is, as we know, 99% penetration and so people whoever are using Aadhaar we again see a dominant split over there also still taking the support of an agent to be able to do the application.

Pratham Kankariya: But just one thing that for future PAN revenue what we are banking on is that people will still go for the assisted mode. So just need some clarity on that thing?

Suresh Sethi: So Pratham I am adding two parts to it. Let me say we have a national distribution network where we provide PAN as one service. Other than that, we have a host of other services, multi-products running on the same distribution. So, PAN is one line of business for us. As I earlier also said, if people's preferences start moving to different areas, there will be still more and more opportunities to build other lines of business through distribution. We have clearly seen large-scale distribution models working very well in the country, with new opportunities coming. As you are aware, in this budget, it was announced that we will be issuing 6 crores Bhu-Aadhaar IDs to farmers or the farmer ID, right. That again needs a distribution on the ground to enroll the farmer and give them a Bhu-Aadhaar card. So, these are the areas in which we are expanding and looking at other areas in the DPI space where the same distribution can be purposed to provide other opportunities. So, all I am saying at this stage is that naturally there has been first of all a very strong or a close association of PAN 2.0 with the mandate we have whereas very clearly these are two separate mandates. The propensity of the citizens to move from an assisted mode to doing things directly, it's always there with or without PAN 2.0 let me put it that way. How does PAN 2.0 change it? Today you already have direct for issuance channels. ITD department has their own website, UTI has their website, Protean has their website. There are three websites today where you can apply directly. So, our business risk in any way does not increase with PAN 2.0.

Pratham Kankariya: Okay. So, for ONDC, there were newspaper reports that ONDC transactions have not picked up and even some of the vendors in Bangalore, particularly the restaurant chain owners that they are moving out of ONDC ecosystem because of

the lack of interoperability and the website is generally not user-friendly, even I myself have checked. So just would like your opinion on this?

Suresh Sethi:

Okay, Pratham first of all, let me confirm to you and we have seen the numbers. ONDC numbers are growing, right, because quarter-on-quarter there has been growth, the ecosystem is building up. There will always be cases which will come forth, somebody has not had an experience and they've taken a decision, and it gets picked up, but primarily the ecosystem at large is growing. Secondly, if you see ONDC as a network, it's a protocol, it's something sitting between buyer and seller. So, there are demand side applications, there are supply side applications, which means the application you and I would go to place an order and then on the other side there is the sell side application where the merchants are enrolled so that they can fulfill the order. ONDC itself does not run an application to meet demand/supply. They have recently come out with their own ONDC app, which is a very smart interface as I've seen it at least. So that is my comment, but definitely, you can try it out and see how you feel about it. But otherwise, ONDC itself is not a web application, it's a protocol or a network on which multiple apps plug in and the demand and supply side and the logistics side get unbundled over there. But ONDC otherwise is showing growth and there is lot of focus on identified categories now where the team is going with renewed vigor to make sure that we are succeeding and going deep in certain categories like grocery, like quick commerce and all. So these are the areas we are focusing on over there.

Pratham Kankariya: Yes, but just one thing is that when I tried the website myself, it was not user-friendly. I will surely check that out once again and I will get back to you. Thank you.

Suresh Sethi: Sure.

Moderator: Thank you. The next question is from the line of Kamlesh Bagmar from Lotus Asset Managers. Please go ahead.

Kamlesh Bagmar: Yes. Thanks for the opportunity. Sir, if I see like say over the years, we have been conveying that we are investing in new businesses. But if I see the last six years

like our revenues have grown at 1.8% standalone and if I see your EBITDA like say it has fallen from Rs.180-odd crores to Rs.80-odd crores. So like how the new businesses are going to pan out because as you were highlighting earlier and it is there in your presentation as well, like the eSign, all those like the identity services where we are seeing significant pressure on the realization side like the 28%-odd fall in the revenue, we are like highlighting that new businesses are going to emerge, but there also they are becoming much and more commoditized. So, in terms of margins, how we are going to play forward? So, because the margins have fallen from 20%-odd to 10% level, so just wanted to have your view on that?

Suresh Sethi:

Sure. Kamlesh, let me pick it up on one or two different ways of looking at this. One is the fact that margins have come down. We have ourselves been saying that we have been investing to support the growth of new areas of business, and a lot of this investment we have called out earlier was also into tech and people. We built our own development centers; we built our own team of engineers who specialize in open-source technology and who also specialize in building centers of excellence around emerging technologies. Now, that is one part where there's investment, which has gone into it, and we have been calling it out that for the last three, four years have been areas of investment in people and tech. When I look at it where are we currently? I know that at this stage the new businesses are contributing still at a very peripheral level. But when I started this conversation, we had some outcomes which have been clearly driven by this investment in people and tech. Two or three RFPs that we have won, which are big ones, and you heard subsequent questions to Sandeep also, which will start contributing revenues this year because these are both the first revenue coming at the point of deployment and then annuity revenue. So that will increase the overall revenue profile for the company, and we expect this money to come this year. So, we will see a clear contribution from the RFP businesses this year. The second area which again we are happy to report and share with confidence is that we have been able to open our business in international markets, earlier we were definitely for quite a few quarters. I remember saying that we are engaged with multiple countries, we are now seeing actual implementations and award mandates coming to us and we

hope that this year we will follow it up with some more coming in because once you have started then clearly the referencability is there in building it. Products like eSignPro and RISE with Protean which we launched in a way last year. So, there is a time to sort of build the market and engage with the customers. We know for us we also call this an adjacency because for us it's an upsell and cross-sell because a lot of these customers we already have as our eSign or eKYC or e-Authentication customers. We go back to the same customer and tell them that we can now provide you with an enhanced digital suite. So, where I am coming to is that while tech investment to a large state is done and it can never end, but the bulk of it what we wanted to do, we have developed also from the products that we were to develop. We see this year some early shots clearly, the businesses we won under RFP, the businesses we have won internationally and the products which are out there since last year, there are healthy pipelines and good engagements we should clearly see them contributing this year. And while the old businesses have not lost any of their edge, it was the incremental investment into new businesses which was having a compression on the margins. So, with the new businesses coming in and contributing to the revenue level, we would expect the margin profile to improve.

Kamlesh Bagmar:

And lastly, like lot has been grilled on that particular part. That PAN 2.0, if I read the November 2024 press release of government, it is clearly articulated that they are going for direct delivery model. So why can't government replicate what they have done in the case of passport services through TCS, why can't it be replicated here as well, and though we are harping that it's not different like normal traditional channels will always be there, but when government is taking such a swift action or like, say, so much confident and they are articulating in the press release clearly saying that it will be a direct delivery model. And from where we are getting that confidence that there is no change in the modular certainty on this particular PAN 2.0?

Suresh Sethi:

Let me, Kamlesh, answer that again. You rightly said we have been grilled enough about this. See, first of all, our mandate has not changed, right. I will start from there. We had a certain mandate from the department, the mandate has not changed

and there has been no indication for us to say, in XYZ time the change will be there. So, this is a mandate we have with us today which means we are running a system for processing and issuance of PAN cards. The second point I would like to make is today also there are direct channels, and we see the propensity of the citizens and we have spoken percentages that is there. So down the line as things change whether 2.0 happens or does not happen, the direct-to-consumer is always there. So, the risk of our business or what we are doing today was anywhere there, whether 2.0 happens or not, because the direct model is there. Now I come to the question of you taking the analogy of Passport Seva Kendra, Passport Seva Kendra is actually the assisted model. In the morning, somebody said that's a good analogy. TCS runs assisted service centers. The government is not saying since you have Aadhar card go directly apply on the website and we will send the passport to your home. That is what we are talking about with PAN card where we are doing the direct-to-consumer which means I go on the website, I submit my KYC details, and the PAN card will come to my house. Passport Seva Kendra doesn't work like that. You go to TCS, and you do a lot of assisted work till you reach a point where you submit your entire data and then the passport is issued, and the passport is again distributed by TCS as a service provider. So, for example, it's very much along the lines in what we do today for PAN.

Kamlesh Bagmar: Great, sir, and best of luck, sir. Thanks a lot.

Suresh Sethi: Thank you.

Moderator: Thank you. The next question is from the line of Shreyas Pimple with JM Financial. Please go ahead.

Shreyas Pimple: Hello, sir. Thank you for the opportunity. I just wanted to ask, has there been any precedents that the RFP has been rejected or not selected in the first round and then the government has given the mandate after rectifying whatever the concerns that the government had, so has there been any precedence like that?

Suresh Sethi: It will be difficult to comment. But naturally, as part of a defined general financial rules, there's a way bids are handled by the Government of India, and it clearly

provides for complete transparency in the way the bids are evaluated and naturally there is a requirement to make sure that all the bidders have satisfactory answers as to why they were or not able to qualify at a certain stage. So, there are clear rules and regulations around it, but it is difficult for me to call out a precedent. There may or may not be, I am not aware about it.

Shreyas Pimple: Sure, sir. Thank you. And the second question was about growth. Is there any number that you are looking at? You said that you were investing in new businesses this year, but what is the growth tentative target that you are looking at for let's say next two years?

Sandeep Mantri: So, we have deliberated in the past as well. What we are saying again, we are reiterating again. One, we do not give any guidance, but as a general rule what we are saying is basically our core businesses, which are the pension, PAN and foundational identity businesses will grow somewhere between 8% and 12%, and our new businesses will contribute 25% to 30% in the next three years. That's the guidance we normally give to the market. Other than that, we do not give specific guidance on how next year or next two years will pan out. But you can definitely calculate back up then on the basis of this thesis.

Shreyas Pimple: Sure, sir. Thank you. Thank you so much. That is, it from me.

Moderator: Thank you. The next question is from the line of Vishal Mehta from Oaklane Capital. Please go ahead.

Vishal Mehta: Hello, sir. I just had two questions. In the PAN business, we have shared that our market share is growing, but in that case, why is the revenue declining in that?

Sandeep Mantri: Our market share is growing, but the whole market prior to that year, there was one-time Aadhaar-PAN linkage event because of that there was upsurge in the PAN issuance and this year there was no significant event like that and then election was also there in Q1 of the year. So therefore, in terms of PAN issuance market, this year it shrunk compared to last year, while we have grown in our market share by 500 basis points.

- Vishal Mehta:** Okay. And sir, the other question was regarding the new businesses. So on a quarterly basis, in Q4 we have seen 100% growth in the new businesses and the accounts are now 7% of our total sales. But is there any one-off in this or there is a structural change where the new business is like the ONDC innovation layer and all these things that are growing?
- Suresh Sethi:** I would not say this is a one-off type of growth. We will see consistently these new businesses growing in the next quarter.
- Vishal Mehta:** So, this Rs.15 crores-plus level MH02FN5046 is what will be maintained for the new business, is it?
- Sandeep Mantri:** I guess, yes.
- Vishal Mehta:** Okay, sir. Great. Thank you so much. All the best.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as a last question for today. I would now like to hand the conference over to Mr. Suresh Sethi for closing comments. Over to you sir.
- Suresh Sethi:** Thank you. I would like to thank everybody, all our shareholders and all the people on the call who have been following us so closely for your continued support and trust in the company. As always, we remain committed to building India's digital public infrastructure and also taking India stack to global markets. Thank you very much.
- Moderator:** Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.